



# **AVIENT CORPORATION**

**PROFORMA FINANCIALS FOR DYNEEMA  
ACQUISITION AND DISTRIBUTION AS  
DISCONTINUED OPERATIONS**

(NYSE: AVNT)

**SEPTEMBER 27, 2022**

# DISCLAIMER

## Forward-Looking Statements

Certain statements contained in or incorporated by reference into this presentation constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give current expectations or forecasts of future events and are not guarantees of future performance. They are based on management’s expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. You can identify these statements by the fact that they do not relate strictly to historic or current facts. They use words such as “will,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe” and other words and terms of similar meaning in connection with any discussion of future operating or financial condition, performance and/or sales. In particular, these include statements relating to future actions; prospective changes in raw material costs, product pricing or product demand; future performance; estimated capital expenditures; results of current and anticipated market conditions and market strategies; sales efforts; expenses; the outcome of contingencies such as legal proceedings and environmental liabilities; and financial results.

Factors that could cause actual results to differ materially from those implied by these forward-looking statements include, but are not limited to:

- Disruptions, uncertainty or volatility in the credit markets that could adversely impact the availability of credit already arranged and the availability and cost of credit in the future;
- The effect on foreign operations of currency fluctuations, tariffs and other political, economic and regulatory risks; including recessionary conditions
- The current and potential future impact of the COVID-19 pandemic on our business, results of operations, financial position or cash flows
- Changes in polymer consumption growth rates and laws and regulations regarding plastics in jurisdictions where we conduct business;
- Fluctuations in raw material prices, quality and supply, and in energy prices and supply;
- Production outages or material costs associated with scheduled or unscheduled maintenance programs;
- Unanticipated developments that could occur with respect to contingencies such as litigation and environmental matters;
- An inability to raise or sustain prices for products or services;
- Our ability to pay regular quarterly cash dividends and the amounts and timing of any future dividends;
- Information systems failures and cyberattacks;
- Amounts for cash and non-cash charges related to restructuring plans that may differ from original estimates, including because of timing changes associated with the underlying actions;
- The ability to obtain required regulatory approvals and otherwise consummate the proposed sales of the Distribution business; and
- Other factors affecting our business beyond our control, including without limitation, changes in the general economy, changes in interest rates, changes in the rate of inflation and any recessionary conditions

## Use of Non-GAAP Measures

This presentation includes the use of both GAAP (generally accepted accounting principles) and non-GAAP financial measures. The non-GAAP financial measures include: adjusted Earnings Per Share and adjusted EBITDA.

Avient’s chief operating decision maker uses these financial measures to monitor and evaluate the ongoing performance of Avient and each business segment and to allocate resources.

A reconciliation of each historical non-GAAP financial measure with the most directly comparable GAAP financial measure is attached to this presentation which is posted on our website at [www.avient.com](http://www.avient.com).

Avient does not provide reconciliations of forward-looking non-GAAP financial measures, such as outlook for Adjusted EBITDA, Adjusted Earnings Per Share, Adjusted Operating Income and Free Cash Flow, to the most comparable GAAP financial measures on a forward-looking basis because Avient is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and amount of certain items, such as, but not limited to, restructuring costs, environmental remediation costs, acquisition-related costs, and other non-routine costs. Each of such adjustments has not yet occurred, are out of Avient’s control and/or cannot be reasonably predicted. For the same reasons, Avient is unable to address the probable significance of the unavailable information.

## Pro Forma Financial Information

The Company acquired Avient Protective Materials (“Dyneema”) on September 1, 2022 (the “Acquisition Date”) and has a pending sale of the Distribution segment. To provide comparable results, the company references “pro forma” financial metrics, which include the business results of Avient Protective Materials for periods prior to the Acquisition Date, as if the transaction occurred on January 1, 2021 and reflect Distribution as a discontinued operation. Management believes this provides comparability of the performance of the combined businesses.

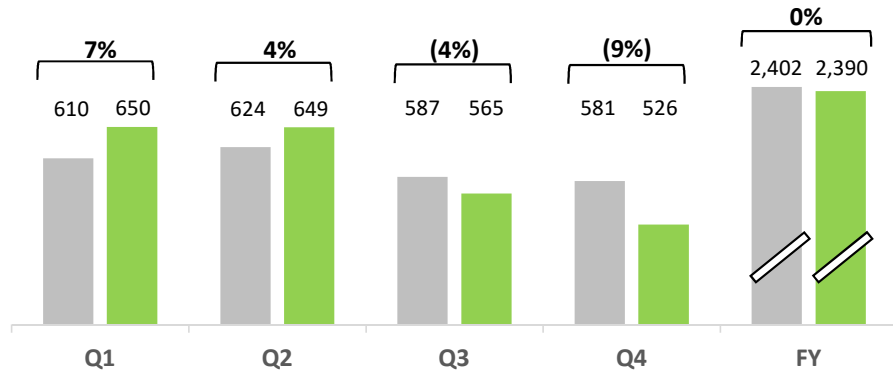
Unless otherwise stated, Adjusted Earnings Per Share and Adjusted EBITDA figures included in this presentation exclude the impact of special items as defined in our quarterly earnings releases. Additionally, Adjusted EPS excludes the impact of special items and amortization expense associated with intangible assets.

## PRO FORMA 2021 TO 2022 BRIDGE

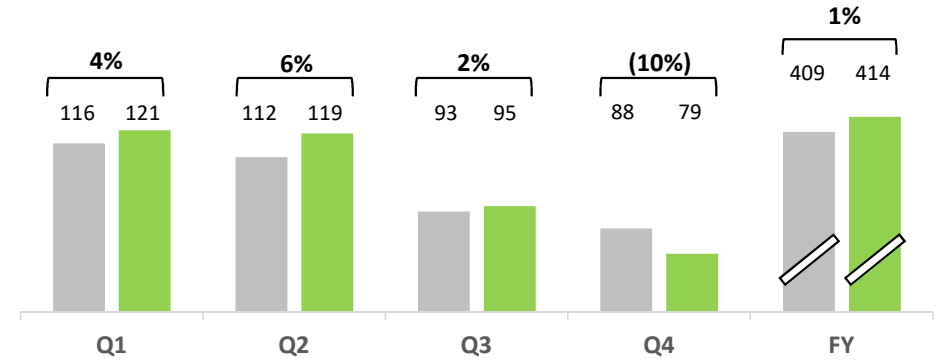
<b>2021 EPS from Continuing Operations</b>	<b>\$ 1.69</b>
Pro Forma & Special Items	1.33
<b>Proforma 2021 Adjusted EPS</b>	<b>\$ 3.02</b>
FX Impact	(0.22)
China Lockdowns / Russia Import Sales	(0.24)
Outdoor High Performance	(0.13)
Dyneema	0.06
Color, Additives and Inks	0.38
Legacy Specialty Engineered Materials	0.22
Other	0.01
<b>Proforma 2022 Adjusted EPS</b>	<b>\$ 3.10</b>

# COLOR, ADDITIVES AND INKS

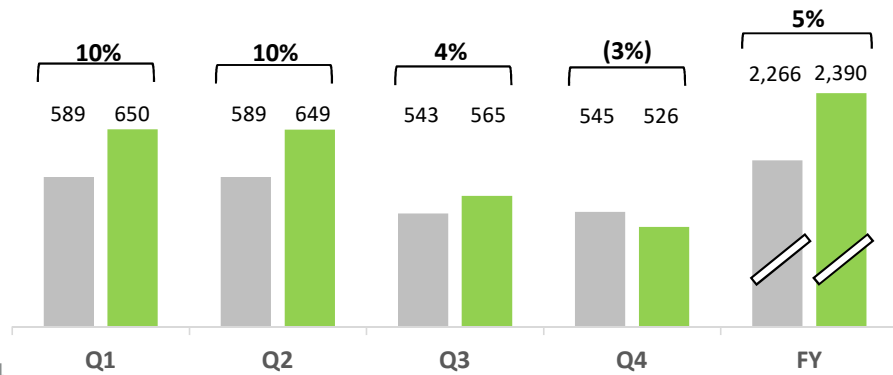
## Sales



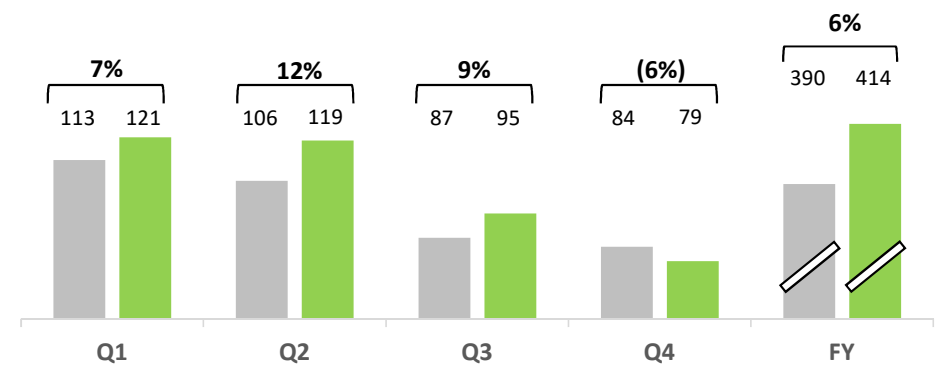
## EBITDA



## Constant Currency Sales



## Constant Currency EBITDA



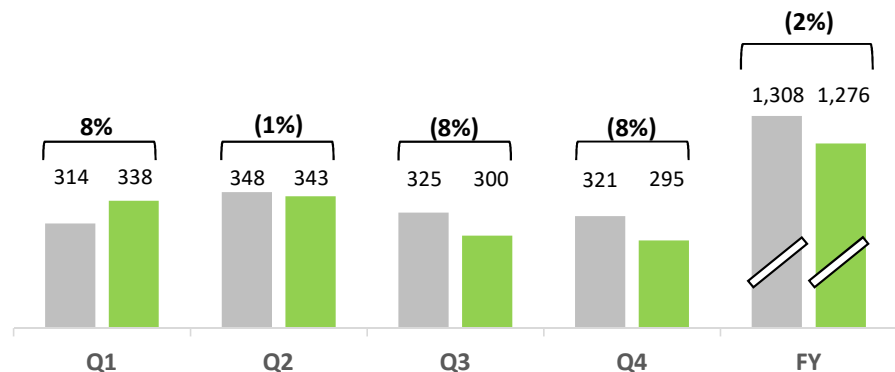
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Constant currency reflects prior year results restated at current year foreign exchange rates

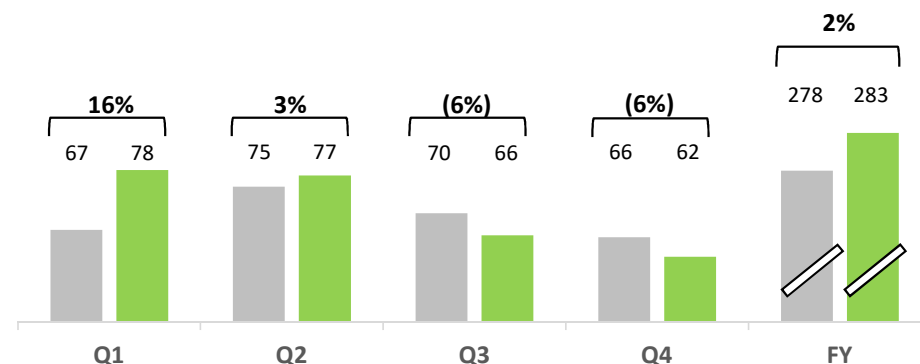
■ 2021 ■ 2022

# PRO FORMA SPECIALTY ENGINEERED MATERIALS

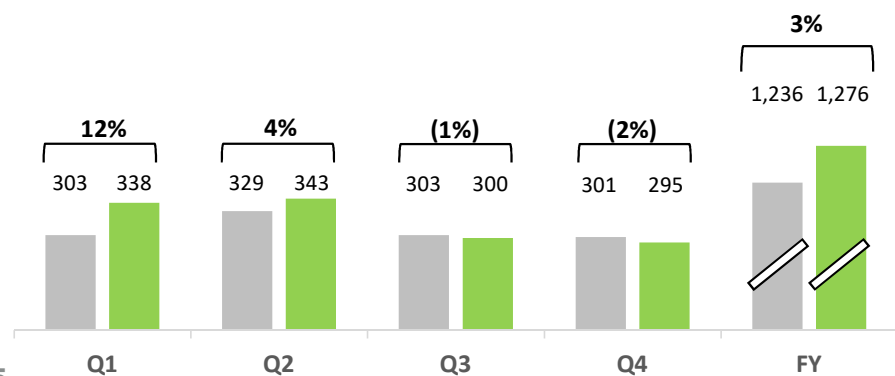
## Sales



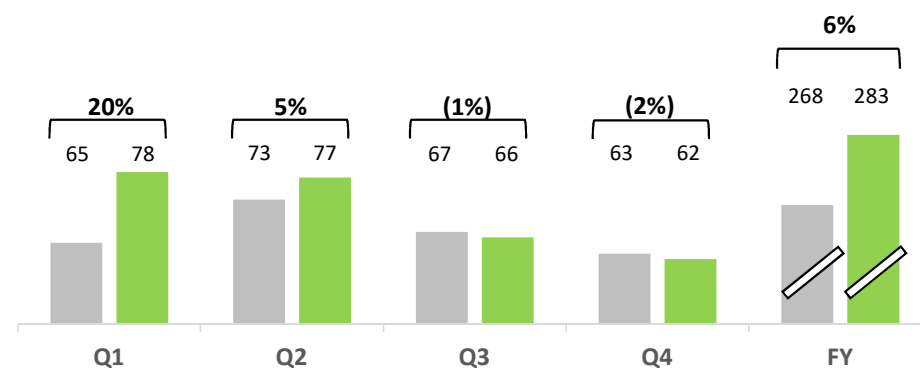
## EBITDA



## Constant Currency Sales



## Constant Currency EBITDA



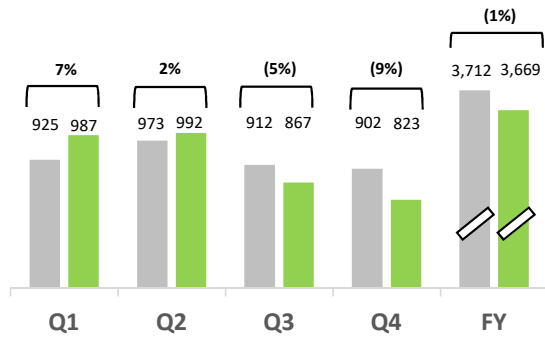
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Constant currency reflects prior year results restated at current year foreign exchange rates

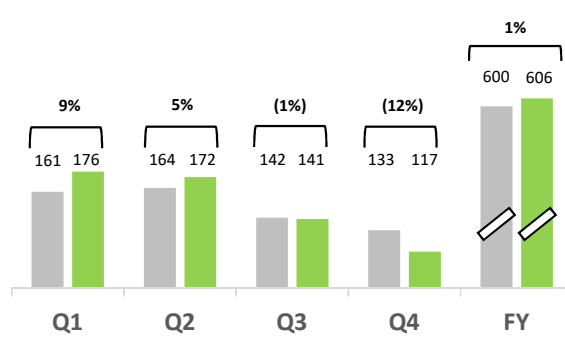
■ 2021 ■ 2022

# PRO FORMA AVIENT

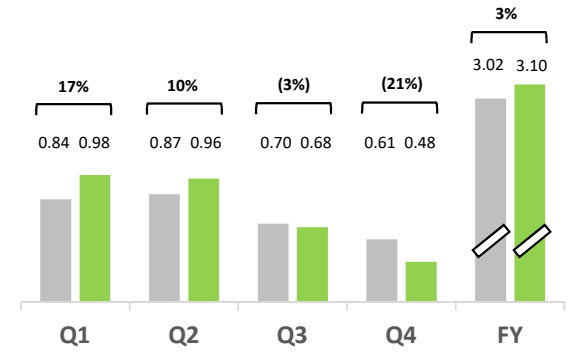
## Sales



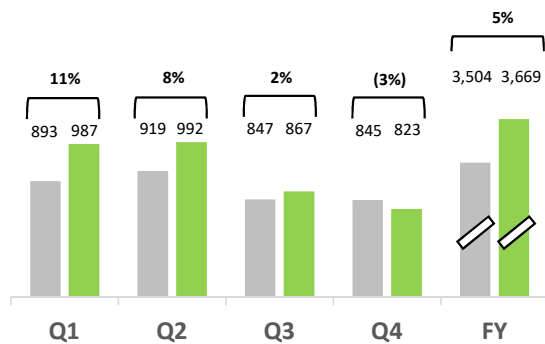
## EBITDA



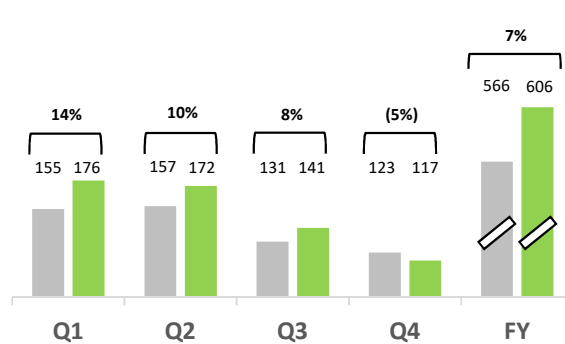
## Adjusted EPS



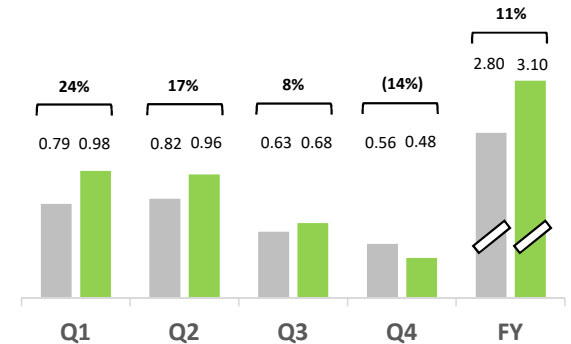
## Constant Currency Sales



## Constant Currency EBITDA



## Constant Currency Adjusted EPS



Reconciliation to Condensed Consolidated Statements of Income	Three Months Ended March 31, 2022		Three Months Ended March 31, 2021	
	Avient	EPS	Avient	EPS
Net income from continuing operations	\$ 64.7		\$ 60.4	
Net income attributable to noncontrolling interests	(0.3)		(0.4)	
Net income from continuing operations attributable to Avient shareholders	<u>\$ 64.4</u>	<u>\$ 0.70</u>	<u>\$ 60.0</u>	<u>\$ 0.65</u>
Special items, after tax	\$ 6.4	\$ 0.07	\$ 2.6	\$ 0.03
APM pro forma adjustments	2.6	0.03	(3.1)	(0.03)
Amortization expense, after tax	17.4	0.19	17.9	0.19
Adjusted pro forma net income / EPS	<u>\$ 90.8</u>	<u>\$ 0.98</u>	<u>\$ 77.4</u>	<u>\$ 0.84</u>
Weighted average diluted shares		92.3		92.2

Reconciliation to Condensed Consolidated Statements of Income	Three Months Ended June 30, 2022		Three Months Ended June 30, 2021	
	Avient	EPS	Avient	EPS
Net income from continuing operations	\$ 62.8		\$ 50.2	
Net income attributable to noncontrolling interests	—		(0.6)	
Net income from continuing operations attributable to Avient shareholders	<u>\$ 62.8</u>	<u>\$ 0.68</u>	<u>\$ 49.6</u>	<u>\$ 0.54</u>
Special items, after tax	\$ 3.2	\$ 0.03	\$ 11.7	\$ 0.13
APM pro forma adjustments	5.2	0.06	1.4	0.02
Amortization expense, after tax	17.2	0.19	17.8	0.19
Adjusted pro forma net income / EPS	<u>\$ 88.4</u>	<u>\$ 0.96</u>	<u>\$ 80.5</u>	<u>\$ 0.87</u>
Weighted average diluted shares		92.1		92.4

Reconciliation to Condensed Consolidated Statements of Income	Three Months Ended September 30, 2021	
	Avient	EPS
Net income from continuing operations	\$ 33.4	
Net income attributable to noncontrolling interests	0.3	
Net income from continuing operations attributable to Avient shareholders	<u>\$ 33.7</u>	<u>\$ 0.37</u>
Special items, after tax	\$ 11.7	\$ 0.13
APM pro forma adjustments	1.5	0.02
Amortization expense, after tax	17.6	0.19
Adjusted pro forma net income / EPS	<u>\$ 64.5</u>	<u>\$ 0.70</u>
Weighted average diluted shares		92.2

Adjusted EPS may not recalculate due to rounding.

Reconciliation to Condensed Consolidated Statements of Income	Three Months Ended December 31, 2021		Year Ended December 31, 2021	
	Avient	EPS	Avient	EPS
Net income from continuing operations	\$ 11.2		\$ 155.2	
Net income attributable to noncontrolling interests	0.9		0.2	
Net income from continuing operations attributable to Avient shareholders	<u>\$ 12.1</u>	<u>\$ 0.13</u>	<u>\$ 155.4</u>	<u>\$ 1.69</u>
Special items, after tax	\$ 24.0	\$ 0.26	\$ 50.0	\$ 0.54
APM pro forma adjustments	2.5	0.03	1.6	0.02
Amortization expense, after tax	17.8	0.19	71.1	0.77
Adjusted pro forma net income / EPS	<u>\$ 56.4</u>	<u>\$ 0.61</u>	<u>\$ 278.1</u>	<u>\$ 3.02</u>
Weighted average diluted shares		92.4		92.1

#### Reconciliation of Color, Additives and Inks EBITDA

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	YTD 2021	Q1 2022	Q2 2022
Operating Income	88.8	86.3	66.8	61.2	303.1	94.5	93.6
Depreciation and amortization	27.4	25.3	26.6	26.4	105.7	26.0	25.9
EBITDA	<u>\$ 116.2</u>	<u>\$ 111.6</u>	<u>\$ 93.4</u>	<u>\$ 87.6</u>	<u>\$ 408.8</u>	<u>\$ 120.5</u>	<u>\$ 119.5</u>

#### Reconciliation of Specialty Engineered Materials EBITDA

	Q1 2021			Q2 2021			Q3 2021		
	SEM	Pro forma APM	Pro forma SEM	SEM	Pro forma APM	Pro forma SEM	SEM	Pro forma APM	Pro forma SEM
Operating Income	32.6	9.1	41.7	35.8	13.9	49.7	30.0	15.2	45.2
Depreciation and amortization	7.8	17.5	25.3	8.1	17.3	25.4	7.9	17.1	25.0
EBITDA	<u>\$ 40.4</u>	<u>\$ 26.6</u>	<u>\$ 67.0</u>	<u>\$ 43.9</u>	<u>\$ 31.2</u>	<u>\$ 75.1</u>	<u>\$ 37.9</u>	<u>\$ 32.3</u>	<u>\$ 70.2</u>

#### Reconciliation of Specialty Engineered Materials EBITDA

	Q4 2021			YTD 2021		
	SEM	Pro forma APM	Pro forma SEM	SEM	Pro forma APM	Pro forma SEM
Operating Income	27.1	11.7	38.8	125.5	49.9	175.4
Depreciation and amortization	8.0	18.9	26.9	31.8	70.8	102.6
EBITDA	<u>\$ 35.1</u>	<u>\$ 30.6</u>	<u>\$ 65.7</u>	<u>\$ 157.3</u>	<u>\$ 120.7</u>	<u>\$ 278.0</u>



**Reconciliation of Specialty Engineered Materials EBITDA**

	Q1 2022			Q2 2022		
	SEM	Pro forma APM	Pro forma SEM	SEM	Pro forma APM	Pro forma SEM
Operating Income	38.3	15.4	53.7	35.2	17.7	52.9
Depreciation and amortization	7.8	16.6	24.4	7.7	16.6	24.3
EBITDA	<u>\$ 46.1</u>	<u>\$ 32.0</u>	<u>\$ 78.1</u>	<u>\$ 42.9</u>	<u>\$ 34.3</u>	<u>\$ 77.2</u>

**Reconciliation of Avient consolidated pro forma EBITDA**

	Q1 2021			Q2 2021			Q3 2021		
	Avient	Pro forma APM	Pro forma Avient	Avient	Pro forma APM	Pro forma Avient	Avient	Pro forma APM	Pro forma Avient
Net income from continuing operations	60.4	(3.1)	57.3	50.2	1.4	51.6	33.4	1.5	34.9
Income tax expense	16.3	1.1	17.4	13.8	1.3	15.1	2.0	2.5	4.5
Interest expense	19.3	11.1	30.4	19.5	11.2	30.7	19.0	11.2	30.2
Depreciation and amortization	36.9	17.5	54.4	33.6	17.3	50.9	36.6	17.1	53.7
EBITDA	132.9	26.6	159.5	117.1	31.2	148.3	91.0	32.3	123.3
Special items, before tax	2.4	—	2.4	14.2	—	14.2	19.9	—	19.9
Depreciation included in special items	(0.6)	—	(0.6)	1.4	—	1.4	(0.9)	—	(0.9)
Adjusted EBITDA	<u>\$ 134.7</u>	<u>\$ 26.6</u>	<u>\$ 161.3</u>	<u>\$ 132.7</u>	<u>\$ 31.2</u>	<u>\$ 163.9</u>	<u>\$ 110.0</u>	<u>\$ 32.3</u>	<u>\$ 142.3</u>

**Reconciliation of Avient consolidated pro forma EBITDA**

	Q4 2021			YTD 2021		
	Avient	Pro forma APM	Pro forma Avient	Avient	Pro forma APM	Pro forma Avient
Net income from continuing operations	11.2	2.5	13.7	155.2	1.6	156.8
Income tax expense	16.2	(1.9)	14.3	48.3	3.7	52.0
Interest expense	17.5	11.1	28.6	75.3	44.6	119.9
Depreciation and amortization	37.9	18.9	56.8	145.0	70.8	215.8
EBITDA	82.8	30.6	113.4	423.8	120.7	544.5
Special items, before tax	20.6	—	20.6	57.1	—	57.1
Depreciation included in special items	(1.6)	—	(1.6)	(1.7)	—	(1.7)
Adjusted EBITDA	<u>\$ 101.8</u>	<u>\$ 30.6</u>	<u>\$ 132.4</u>	<u>\$ 479.2</u>	<u>\$ 120.7</u>	<u>\$ 599.9</u>

**Reconciliation of Avient consolidated pro forma EBITDA**

	Q1 2022			Q2 2022		
	Avient	Pro forma APM	Pro forma Avient	Avient	Pro forma APM	Pro forma Avient
Net income from continuing operations	64.7	2.6	67.3	62.8	5.2	68.0
Income tax expense	20.0	1.7	21.7	22.7	1.4	24.1
Interest expense	16.9	11.1	28.0	16.2	11.1	27.3
Depreciation and amortization	37.6	16.6	54.2	36.3	16.6	52.9
EBITDA	139.2	32.0	171.2	138.0	34.3	172.3
Special items, before tax	6.6	—	6.6	0.9	—	0.9
Depreciation included in special items	(2.1)	—	(2.1)	(1.1)	—	(1.1)
Adjusted EBITDA	<u>\$ 143.7</u>	<u>\$ 32.0</u>	<u>\$ 175.7</u>	<u>\$ 137.8</u>	<u>\$ 34.3</u>	<u>\$ 172.1</u>

**Reconciliation of Specialty Engineered Pro Forma Sales**

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	YTD 2021	Q1 2022	Q2 2022
Sales	214.7	238.9	231.7	226.3	911.6	243.1	242.3
Pro forma APM	98.9	108.8	93.8	94.9	396.4	94.8	100.5
Pro forma sales	<u>\$ 313.6</u>	<u>\$ 347.7</u>	<u>\$ 325.5</u>	<u>\$ 321.2</u>	<u>\$ 1,308.0</u>	<u>\$ 337.9</u>	<u>\$ 342.8</u>

**Reconciliation of Avient Pro Forma Sales**

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	YTD 2021	Q1 2022	Q2 2022
Sales	826.0	864.5	818.0	807.1	3,315.6	892.2	891.0
Pro forma APM	98.9	108.8	93.8	94.9	396.4	94.8	100.5
Pro forma sales	<u>\$ 924.9</u>	<u>\$ 973.3</u>	<u>\$ 911.8</u>	<u>\$ 902.0</u>	<u>\$ 3,712.0</u>	<u>\$ 987.0</u>	<u>\$ 991.5</u>